

## Message Text

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PAGE 01 MANILA 16199 120925Z  
ACTION TRSE-00

INFO OCT-01 EA-10 NEA-10 ISO-00 IO-13 H-01 L-03 SP-02  
USIA-06 AID-05 EB-08 NSC-05 SS-15 STR-05 OMB-01  
CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00  
XMB-02 OPIC-03 LAB-04 SIL-01 PA-01 PRS-01 AGRE-00  
DODE-00 /108 W  
-----052724 122301Z /70

R 120852Z OCT 77  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 6406  
INFO AMEMBASSY KATHMANDU

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USADB

FOR NAC AGENCIES

E.O. 11652: N/A  
TAGS: EAID, EFIN, NP  
SUBJECT: ADB LOANS FOR CHITWAN VALLEY DEVELOPMENT AND KANKAI  
IRRIGATION PROJECTS (NEPAL)  
  
REF: (A) TREASURY 77-141, (B) MANILA 15041, (C) KATHMANDU 4327,  
(D) MANILA 15122, (E) KATHMANDU 4325

1. ON OCTOBER 11, ADB BOARD OF DIRECTORS APPROVED SUPPLEMENTARY LOANS FOR CHITWAN VALLEY DEVELOPMENT PROJECT AND KANKAI IRRIGATION PROJECT. PRESS RELEASES BEING POUCHED.

2. IN WITHHOLDING SUPPORT AND ABSTAINING ON CHITWAN PROJECT (PER REFTEL A), U.S. EXECUTIVE DIRECTOR GAVE A DETAILED STATEMENT ON U.S. POLICY OF GENERAL OPPOSITION TO ADB FINANCING OF COST OVERRUNS FROM ITS OWN RESOURCES. THERE WAS, HOWEVER, NO SUPPORT FROM OTHER EDS FOR U.S. POSITION ON CHITWAN  
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PAGE 02 MANILA 16199 120925Z

PROJECT AND LITTLE INDICATION THAT EDS WOULD BE LESS SYMPATHETIC IN FUTURE TO SUPPLEMENTARY LOANS. BANK ARGUMENT WAS SYMPATHETIC CONSIDERATION MUST BE GIVEN TO COUNTRIES WHICH HAVE VERY LIMITED ADMINISTRATIVE CADRE TO ADMINISTER LOANS. AUSTRALIAN ED DID INDICATE SOME SYMPATHY IN GENERAL WITH POINTS MADE BY U.S. ED. HOWEVER, HE SAID HE DID NOT DRAW SAME DOCTRINAIRE CONCLUSIONS, RE CHITWAN PROJECT.

3. ADB OPERATIONS MANAGER FOR NEPAL CONCEDED THAT THERE WAS SUBSTANTIAL AND REGRETTABLE DELAY IN APPOINTMENT OF CONSULTANTS, AND SOME VERY STRONG WORDS WERE SAID ON THAT SUBJECT TO THE NEPALESE. HE SAID THAT CHIEF REASON WHY BANK AGREED TO FINANCE THIS COST OVERRUN WAS BECAUSE THIS IS THE KEY PROJECT AMONG THREE RELATED PROJECTS IN CHITWAN VALLEY AREA FINANCED BY BANK, THE OTHERS BEING GANDAK-HETAUDA POWER AND HETAUDA-NARAYANGARH ROAD PROJECTS. EDMOND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IRRIGATION, DEVELOPMENT BANKS, DEVELOPMENT LOANS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 12-Oct-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MANILA16199  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770372-0529  
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**From:** MANILA USADB  
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**Line Count:** 72  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 3ec71832-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 MANILA 15041, 77 KATHMANDU 4327, 77 MANILA 15122, 77 KATHMANDU 4325  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 23-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 955632  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB LOANS FOR CHITWAN VALLEY DEVELOPMENT AND KANKAI IRRIGATION PROJECTS (NEPAL)  
**TAGS:** EAID, EFIN, RP, ADB  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009